

May 15, 2001

Ms. Charlene H. Keys
Vice President, Interconnection Services
KMC Telecom V, Inc.
1755 N. Brown Road, 3rd Floor
Lawrenceville, GA 30043

Re: Requested Adoption Under Section 252(i) of the TA96

Dear Ms. Keys:

Verizon North Inc., f/k/a GTE North Incorporated (“Verizon”), has received your letter¹ stating that, under Section 252(i) of the Telecommunications Act of 1996 (the “Act”), KMC Telecom V, Inc. (“KMC”) wishes to adopt the terms of the Interconnection Agreement between U.S. Dial Tone, L.P. (“US Dial Tone”) and Verizon that was approved by the Wisconsin Public Service Commission (the “Commission”) as an effective agreement in the State of Wisconsin, as such agreement exists on the date hereof after giving effect to operation of law (the “Terms”). I understand KMC has a copy of the Terms. Please note the following with respect to KMC’s adoption of the Terms.

1. By KMC’s countersignature on this letter, KMC hereby represents and agrees to the following three points:
 - (A) KMC adopts (and agrees to be bound by) the Terms of the US Dial Tone/Verizon agreement for interconnection as it is in effect on the date hereof after giving effect to operation of law, and in applying the Terms, agrees that KMC shall be substituted in place of U.S. Dial Tone, L.P. and US Dial Tone in the Terms wherever appropriate.
 - (B) Notice to KMC and Verizon as may be required under the Terms shall be provided as follows:

¹ Letter from Charlene H. Keys, KMC Telecom Holdings, Inc. to Renee Ragsdale, Verizon Wholesale Markets Interconnection Negotiations, March 27, 2001 (“*KMC Adoption Request*”).

To: KMC Telecom V, Inc.
Michael Duke
Director, Governmental Regulatory Affairs
KMC Telecom V, Inc.
1755 North Brown Road
Lawrenceville, Georgia 30043
Telephone Number: (678) 985-6266
Fax Number: (678) 985-6213
Email: mduke@kmctelecom.com

With a copy to:

Genevieve Morelli
Counsel to KMC Telecom V, Inc.
Kelley Drye & Warren, LLP
1200 19th Street, NW
Washington, D.C. 20036
Telephone Number: (202) 955-9600
Fax Number: (202) 955-9792
Email: gmorelli@kelleydrye.com

To Verizon:

Director-Contract Performance & Administration
Verizon Wholesale Markets
600 Hidden Ridge
HQEWMNOTICES
Irving, TX 75038
Telephone Number: 972-718-5988
Facsimile Number: 972-719-1519
Internet Address: wmnotices@verizon.com

with a copy to:

Vice President and Associate General Counsel
Verizon Wholesale Markets
1320 N. Court House Road
8th Floor
Arlington, VA 22201
Facsimile: 703/974-0744

- (C) KMC represents and warrants that it is a certified provider of local telecommunications service in the State of Wisconsin, and that its adoption of the Terms will cover services in the State of Wisconsin only.
2. KMC's adoption of the US Dial Tone Terms shall become effective upon the date of filing of this adoption letter with the Commission (which filing Verizon will promptly make upon receipt of an original of this letter countersigned by KMC) and remain in effect no longer than the date the US Dial Tone/Verizon agreement terminates. The US Dial Tone/Verizon agreement is currently scheduled to terminate on April 15, 2002. Thus, the Terms adopted by KMC also shall terminate on that date.
 3. As the Terms are being adopted by you pursuant to your statutory rights under section 252(i), Verizon does not provide the Terms to you as either a voluntary or negotiated agreement. The filing and performance by Verizon of the Terms does not in any way constitute a waiver by Verizon of any position as to the Terms or a portion thereof, nor does it constitute a waiver by Verizon of all rights and remedies it may have to seek review of the Terms, or to seek review in any way of any provisions included in these Terms as a result of KMC's 252(i) election.
 4. On January 25, 1999, the Supreme Court of the United States ("Court") issued its decision on the appeals of the Eighth Circuit's decision in *Iowa Utilities Board*. Specifically, the Supreme Court modified several of the FCC's and the Eighth Circuit's rulings regarding unbundled network elements and pricing requirements under the Act. *AT&T Corp. v. Iowa Utilities Board*, 119 S. Ct. 721 (1999). Certain provisions of the Terms may be void or unenforceable as a result of the Court's decision of January 25, 1999, the United States Eighth Circuit Court of Appeals' decision in Docket No. 96-3321 regarding the FCC's pricing rules, and the current appeal before the U.S. Supreme Court regarding the FCC's new UNE rules. Moreover, nothing herein shall be construed as or is intended to be a concession or admission by Verizon that any provision in the Terms complies with the rights and duties imposed by the Act, the decisions of the FCC and the Commissions, the decisions of the courts, or other law, and Verizon expressly reserves its full right to assert and pursue claims arising from or related to the Terms.
 5. Verizon reserves the right to deny KMC's adoption and/or application of the Terms, in whole or in part, at any time:
 - (a) when the costs of providing the Terms to KMC are greater than the costs of providing them to US Dial Tone;
 - (b) if the provision of the Terms to KMC is not technically feasible; and/or
 - (c) to the extent that Verizon otherwise is not required to make the Terms available to KMC under applicable law.
 6. For avoidance of doubt, please note that adoption of the Terms will not result in reciprocal compensation payments for Internet traffic. Verizon never intended for

reciprocal compensation to be paid for Internet traffic in the underlying agreement, and has always taken the position that reciprocal compensation was not due to be paid for Internet traffic in the underlying agreement nor under applicable law. Verizon's position that reciprocal compensation is not to be paid for Internet traffic under the Terms was confirmed by the FCC in the Order on Remand and Report and Order adopted on April 18, 2001, which held that Internet traffic constitutes "information access" outside the scope of the reciprocal compensation obligations set forth in section 251(b)(5) of the Act.²

7. Should KMC attempt to apply the Terms in a manner that conflicts with paragraphs 3-6 above, Verizon reserves its rights to seek appropriate legal and/or equitable relief.

¹ Order on Remand and Report and Order, In the Matters of: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Intercarrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68 (rel. April 27, 2001) ¶44.

Please arrange for a duly authorized representative of KMC to sign this letter in the space provided below and return it to the undersigned.

Sincerely,

VERIZON NORTH INC.

Jeffrey A. Masoner
Vice President – Interconnection Services Policy & Planning

Reviewed and countersigned as to points A,B,C of paragraph 1. KMC notes its disagreement with paragraphs 3-6 and execution of this document does not constitute agreement with paragraphs 3-6 or waiver of KMC's rights under the Act or the Terms. KMC expressly reserves its rights to assert and pursue claims arising from or related to the terms of the GTE/U.S. Dialtone, LP agreement, including but not limited to any FCC Order or federal court ruling which materially affects the terms and conditions of said agreement. Furthermore, KMC's adoption of the interconnection agreement does not affect any rights KMC has to negotiate amendments or successor agreements to the instant adoption or to adopt a replacement agreement.

KMC TELECOM V, INC.

(SIGNATURE)

Michael P. Duke
(PRINT NAME)

cc: R. Ragsdale – Verizon
G. Romano – Verizon
G. Morelli - KMC